

June 26, 2006

To Whom It May Concern:

We are writing to comment on the proposed Business Opportunity Rule (16 CFR Part 437) published April 12, 2006. We have been Quixtar affiliated independent business owners (IBOs) for the past two and a half years. Through our Quixtar business we have had success both personally and financially. We have been able to not only make money, but also to get on track with our budgeting, goal-setting for our life, our health and fitness, and be mentored by some amazing people. The proposed rule would affect our business and our lives tremendously and we would like to submit the following information for your consideration in redrafting the proposed rule.

First and foremost, we would like to express our agreement with the spirit of the proposed rule. We wholeheartedly agree that every prospect considering a business opportunity should have all the information he needs to make an educated, safe decision. We applaud your work to discover and shut down all illegal pyramid schemes and other get-rich-quick ventures that are not legitimate or downright illegal. Your work in this area helps us build our business affiliated with Quixtar because people know our business has passed your test.

Regarding certain provisions of the proposed rule, we do have some challenges with how the rule proposes to provide prospects with complete and accurate information about a business opportunity. Specifically, we disagree with the provisions that would propose the following, for the reasons described after each point regarding how they would affect our business:

1. Provision: Prospects would have to wait 7 days after receiving disclosures before they could register as independent business owner.

This provision would tremendously hinder our ability to build and expand our business and for others in our organization to do so as well. One of our goals is to help prospective business owners to recoup their start-up costs and become profitable within the first 30 days of owning their business. We stress to our prospects that they will have to work very hard to do that, that this is definitely not a get-rich-quick business, but that we will help them and work with them towards this goal. We have helped people do just this! However, it is imperative that when people are getting started and excited and want to run fast that they are not hindered by this rule that would essentially put the brakes on their ability to achieve whatever level of success they wanted to, at the pace that is right for them.

2. Provision: The seller would be required to give every prospect a list of references – the names, addresses, and phone numbers of 10 other independent business owners in the area – seven days before the prospect registers.

Possibly more than any other provision, this provision would affect our business extremely detrimentally. The amount of time and effort that goes in to making contacts, building relationships, presenting the business ownership plan, following up, providing information and product samples, and getting a prospect to the point that he has enough knowledge and information to make a decision is tremendous. But, it is completely worth it because when we register someone we know that we have provided them with the very best when it comes to full disclosure about the potential and limitations of our business. If we were required to provide these prospects with the names and phone numbers (or other contact information) of other independent business owners in the area we would risk losing that prospect to someone else. This would be completely unfair

and would undermine the work that we were putting in to our business. If we were in any other type of sales we would never refer prospective buyers to ten other stores to check out their offers. Why would we send our prospects to talk with our competition? It would be like shooting ourselves in the foot! This provision, above all else, has the potentially to fatally affect our independent business and our future livelihood. Without the future income from our Quixtar business we will not be able to have children because we will not be able to provide the second source of income for my wife to be a stay-at-home mom. We refuse to put our children in day-care so the result would be that we are unable to have kids. As I've said, this would impact our lives tremendously. We ask that you eliminate the requirement to provide outside references. When we help a prospect through the investigation process this includes introducing them, personally, to the team we are working with. By the time most of our prospects get their businesses started they have met at least 10-20 individuals we are working with in our upline or are acquainted with as crossline. They have had the opportunity to talk with professionals, working folk, young and old, men and women who are involved in the Quixtar business. We always say, "you've got to meet the people we're working with before you'll know if this project is a fit for you!"

3. **Provision: The seller would have to give every prospect a list of all lawsuits, arbitrations, or other legal claims for the past 10 years involving the contracting corporation or its independent business owners (sellers) where the plaintiff alleged fraud, misrepresentation, or unfair trade practices – regardless of whether or not the accusation was true.**

In the litigious state that the United States seems to be in, it would be completely unfair to ask that sellers provide a list of all lawsuits, arbitrations, or other legal claims involving the corporation or its sellers. Anyone in the country can be sued at any time regardless of the merit of the accusation. Anyone can make an allegation, but that does not make it true. Additionally, disclosure of legal suites against individual independent business owners would be an immense misrepresentation of our business and the Quixtar business opportunity. Individuals that do not behave properly are NOT abiding by the Quixtar rules of conduct, and should not be presented as examples.

Thank you very much for your time and consideration of our concerns. While we definitely agree with the intent of the rule, the individual provisions laid out in the rule would greatly hinder our ability to run our legal and honest business. Some of the provisions could even prevent us from having any additional success in our business.

Sincerely,

Matthew & Ellen Morales